

EXECUTIVE SECRETARIAT
ROUTING SLIP

TO:

		ACTION	INFO	DATE	INITIAL
1	DCI		X		
2	DDCI		X		
3	EXDIR		X		
4	D/ICS		X		
5	DDI		X		
6	DDA		X		
7	DDO		X		
8	DDS&T		X		
9	Chm/NIC				
10	GC		X		
11	IG				
12	Compt		X		
13	D/Pers				
14	D/OLL		X		
15	D/PAO		X		
16	SA/IA				
17	AO/DCI				
18	C/IPD/OIS				
19	NIO /LA		X		
20	VC/NIC		X		
21	D/ALA/DI		X		
22	C/LA/DO		X		
SUSPENSE		Date _____			

Remarks

Executive Secretary

8 May 85

Date

3637 (10-81)

THE WHITE HOUSE

WASHINGTON

May 7, 1985

Executive Registry

85- 1843/1

MEMORANDUM FOR THE VICE PRESIDENT

THE SECRETARY OF STATE
THE SECRETARY OF THE TREASURY
THE SECRETARY OF DEFENSE
THE SECRETARY OF THE INTERIOR
THE SECRETARY OF AGRICULTURE
THE SECRETARY OF COMMERCE
THE SECRETARY OF TRANSPORTATION
THE SECRETARY OF ENERGY
THE DIRECTOR, OFFICE OF MANAGEMENT AND BUDGET
THE DIRECTOR OF CENTRAL INTELLIGENCE AGENCY
UNITED STATES TRADE REPRESENTATIVE

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LOGGED
8 MAY 1985

SUBJECT: Implementation of Nicaraguan Economic
Sanctions With Regard to Contract Sanctity

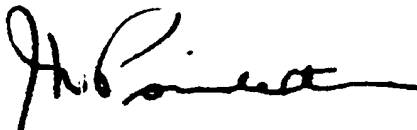
The President's Executive Order of May 1, 1985 invoked the International Emergency Economic Powers Act (IEEPA) to put into effect an embargo on all Nicaraguan trade in goods and services with the United States. The E.O. was effective as of 12:01 a.m. EDT, May 7, 1985.

The President has determined that all commercial contractual commitments between the U.S. and Nicaragua will be terminated simultaneous with activation of the Trade Embargo against Nicaraguan goods and services. The President also has determined that the regulations to implement the trade embargo will permit the following exceptions with regard to contractual commitments entered into before May 1, 1985:

- (1) With regard to imports from Nicaragua to the United States, shipment may be completed if it can be demonstrated that the importer made a downpayment prior to May 1, 1985.
- (2) With regard to exports, contract sanctity will be allowed until November 1, 1985 only if one of the following three conditions applies:
 - Goods already in transit from the United States to Nicaragua.
 - Companies that can demonstrate that failure to comply with contractual obligations with Nicaraguan importers will leave them with goods in inventory which cannot be sold elsewhere.

-- Companies whose export commitments are guaranteed under an outstanding performance bond which can be successfully invoked by Nicaraguan importers.

FOR THE PRESIDENT:


for Robert C. McFarlane